

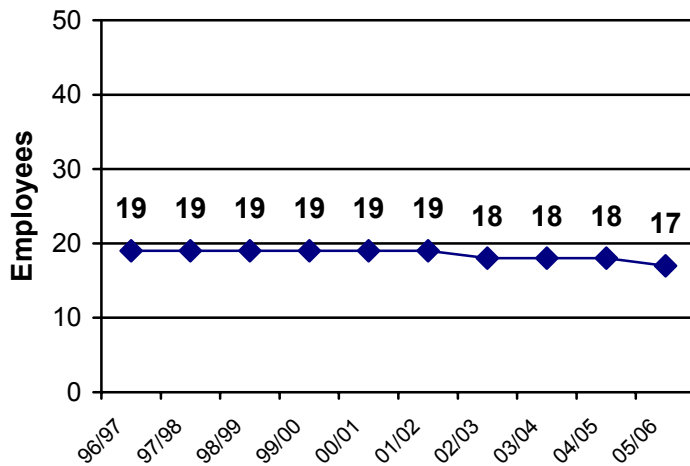
**MISSION STATEMENT**

San Luis Obispo County Parks Division operates and maintains 18-hole championship golf courses to enhance opportunities for recreation and personal enrichment of the County's residents and visitors.

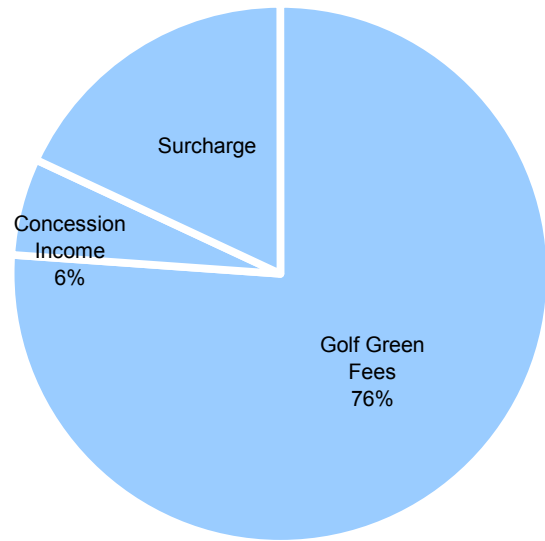
## SCHEDULE 11

OPERATING DETAIL	ACTUAL 2003-04	ACTUAL 2004-05	RECOMMENDED ESTIMATES 2005-06	ADOPTED ESTIMATES 2005-06
(1)	(2)	(3)	(4)	(5)
<b>REVENUES:</b>				
<b>OPERATING REVENUES</b>				
Golf Green Fees	2,090,029	2,011,877	2,259,365	2,259,365
Concessionaire Income	260,967	239,884	171,808	171,808
Green Fee Surcharge	473,756	429,692	525,500	525,500
Miscellaneous	7,759	9,438	7,420	7,420
<b>TOTAL OPERATING REVENUES</b>	<b>2,832,511</b>	<b>2,690,891</b>	<b>2,964,093</b>	<b>2,964,093</b>
<b>NONOPERATING REVENUES</b>				
State Aid - Prop 12	0	75,254	0	0
State Aid - Nuclear	0	0	0	0
Interest	13,618	19,535	10,000	10,000
Rental Income-Bldg.	0	0	0	0
Sale of Fixed Assets	0	0	0	0
Other	94,648	29,354	300	300
Transfer in fm GF for Equip	50,000	0	0	0
Residual Equity Trans In	0	100,272	0	0
<b>TOTAL NONOPERATING REVENUES</b>	<b>158,266</b>	<b>224,415</b>	<b>10,300</b>	<b>10,300</b>
<b>TOTAL REVENUES</b>	<b>2,990,777</b>	<b>2,915,306</b>	<b>2,974,393</b>	<b>2,974,393</b>
<b>EXPENSES:</b>				
<b>OPERATING EXPENSES</b>				
Salaries and Benefits	1,229,630	1,280,778	1,396,405	1,396,405
Services and Supplies	1,297,150	1,087,876	918,400	918,400
Depreciation	390,011	381,754	389,880	389,880
<b>TOTAL OPERATING EXPENSES</b>	<b>2,916,791</b>	<b>2,750,408</b>	<b>2,704,685</b>	<b>2,704,685</b>
<b>NONOPERATING EXPENSES</b>				
Interest on Long-Term Debt	365,347	354,275	347,334	347,334
Principal on Long-Term Debt	0	0	216,066	216,066
Issuance Costs	0	5,873	0	0
Transfer Out	52,316	111,722	0	0
<b>TOTAL NONOPERATING EXPENSES</b>	<b>417,663</b>	<b>471,870</b>	<b>563,400</b>	<b>563,400</b>
<b>TOTAL EXPENSES</b>	<b>3,334,454</b>	<b>3,222,278</b>	<b>3,268,085</b>	<b>3,268,085</b>
<b>NET INCOME (LOSS)</b>	<b>(343,677)</b>	<b>(306,972)</b>	<b>(293,692)</b>	<b>(293,692)</b>
<b>FIXED ASSET EXPENDITURES</b>				
Equipment	0	30,686	111,800	111,800
Structures, Improvements	62,190	0	0	0
<b>TOTAL FIXED ASSET EXPENDITURES</b>	<b>62,190</b>	<b>30,686</b>	<b>111,800</b>	<b>111,800</b>

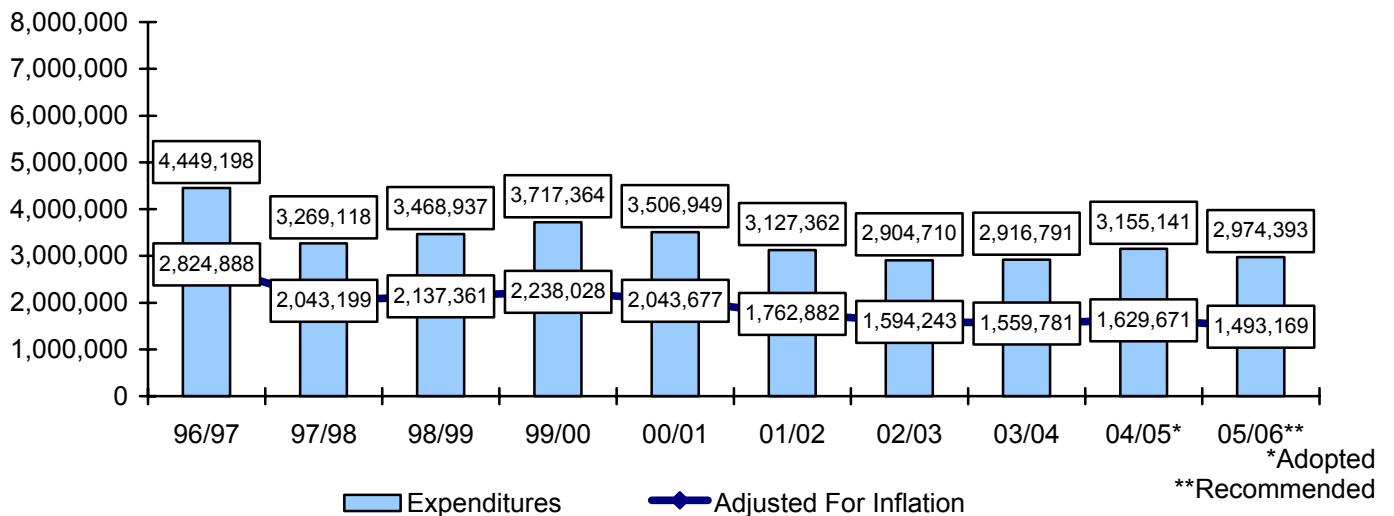
**Number of Employees**  
(Full Time Equivalent)



**Source of Funds**



**10 Year Expenditures Adjusted For Inflation**



## SERVICE PROGRAMS

### Golf Courses

Own, operate, and maintain the Dairy Creek and Chalk Mountain Golf Courses. Operate and maintain the Morro Bay Golf Course, which is leased from the State of California. Supervise the performance of County employees and contracted concessionaires to enhance customer satisfaction, maintain quality control, and ensure safe, cost-effective, and efficient operation of the courses.

Total Expenditures: \$2,974,393 Total Staffing (FTE): 17.0

**DEPARTMENT COMMENTS**

The Department of General Services, Parks Division, is submitting its 2005/06 budget for the Golf Courses with a proposed loss of \$389,860 including depreciation. This amount includes \$389,880 in budgeted depreciation expense. Without this "non-cash" expenditure for depreciation expense, the "true gain in cash" is budgeted at \$ 20.

Salaries have risen by only \$3,273 despite step increases, increases in workers compensation rates, and a projected COLA of 3.0% for fiscal year 2005/06. One full time permanent position is being eliminated.

The services and supplies accounts have decreased by \$47,381 or 4% under the prior year.

This is primarily due to a \$20,215 reduction/postponement of Maintenance Projects, \$19,208 reduction in rental equipment and \$7,000 reduction in professional services contracts.

The Other Charges accounts have decreased by \$118,367 primarily due to the retirement of the internal loan to Parks. The final payments totaling \$123,500 were made in the prior fiscal year.

Fixed Asset expenses of \$111,800 are budgeted for the replacement of two mowers and one new sweeper.

Revenue budgets are to reduce slightly by \$57,198 due to the effects of the economic downturn which has brought about a reduction in play at the golf courses.

**COUNTY ADMINISTRATOR'S COMMENTS AND RECOMMENDATIONS**

The recommended expenditure level for Golf Courses, at \$2,832,535, is \$6,318 less than requested reflecting a minor adjustment in salary costs. Otherwise, the budget is recommended as requested including the elimination of one Park Ranger Specialist position.

**BOARD ADOPTED CHANGES**

None.

**GOALS AND PERFORMANCE MEASURES**

<b>Department Goal:</b> Cost-effectively operate and maintain County public golf courses to enhance recreational opportunities for residents and visitors.						
<b>Communitywide Result Link:</b> A livable community.						
<b>1. Performance Measure: Annual operating costs per golf round played at County-managed golf courses.</b>						
00-01 Actual Results	01-02 Actual Results	02-03 Actual Results	03-04 Actual	04-05 Adopted	04-05 Actual Results	05-06 Target
\$15.72/round	\$14.26/round	\$20.34/round	\$17.92/round	\$18.00/round	\$18.18/round	\$18.00/round
<b>What:</b> The ratio of total operating expenses (salaries/benefits, services/supplies, depreciation and fixed assets) to the total number of rounds played at County-managed golf courses.						
<b>Why:</b> This figure reflects the efficiency of our financial commitment to the visitors playing at County golf courses. This benchmark is useful in assessing fee structure as well as assessing the value of services provided in a very competitive market.						
<b>How are we doing?</b> The local golf market is echoing the nationwide decline in play resulting largely from a soft economy and changes in recreational patterns. Staff reductions and other spending cuts have helped to maintain a stable balance between operating costs and revenue (based on total rounds played). The relative stability of this measure indicates the "on-the-fly" adjustments in spending staff has made to balance a volatile budget.						

**Department Goal:** Design and implement programs that enhance golfing opportunities at a reasonable cost for residents and visitors to ensure customer satisfaction.

**Communitywide Result Link:** A livable community.

**2. Performance Measure: The total number of golf rounds played at County managed golf courses.**

00-01 Actual Results	01-02 Actual Results	02-03 Actual Results	03-04 Actual	04-05 Adopted	04-05 Actual Results	05-06 Target
192,938	185,573	175,888	165,663	175,000	151,168	160,000

**What:** This measurement looks at the total number of rounds played at all three County golf courses relative to the prior year.

**Why:** The ultimate measure of success for our golf program is reflected in the volume of play we can attract in this very competitive golf market. While subject to weather and the general economy, generally speaking, rounds played reflect both the quality of the golf experience we provide and the perceived value of that experience.

**How are we doing?** Play at County managed courses declined approximately 9% this past fiscal year. However, some comparable markets in California dropped 20% during the same period. A slight recovery is projected for FY 05-06, based on expectations of an improving regional economy, Internet marketing and tourism rebound.

**3. Performance Measure: Percentage of annual survey respondents who rate the overall value of County Golf courses as "satisfactory" to "excellent".**

00-01 Actual Results	01-02 Actual Results	02-03 Actual Results	03-04 Actual	04-05 Adopted	04-05 Actual Results	05-06 Target
90%	99%	99%	99%	99%	98%	95%

**What:** Annual surveys of golf course users measure public opinion about the condition and quality of those facilities, the quality of staff service and the overall recreation experience of users. This measure focuses on the users' overall recreation experience.

**Why:** All the efforts of staff to provide quality, safe facilities ultimately come down to the satisfaction of facility users and County residents and their perceptions about how well we are meeting their needs. Periodic surveying of regular users helps staff better measure those opinions.

**How are we doing?** Reduced levels of maintenance due to reduced revenues have resulted in a slight drop in the overall quality of our facilities and concession services. However, survey results indicate our users still perceive a relatively high level of value at County operated courses. Maintaining this very high level of satisfaction will prove challenging in the near future as deferred maintenance takes a toll on facilities.